

PROJECT STATUS REPORT

JULY 2015 - DECEMBER 2015

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Facilitating the integration of Haitian artisans into high-value supply chains

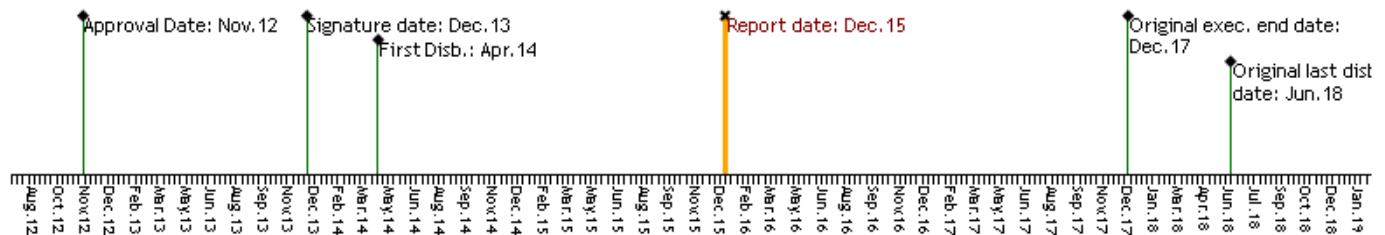
Project Number: HA-M1046 - Project Num.: ATN/ME-13545-HA

Purpose: Stakeholders in the value chain participating in the project are strengthened to meet unmet demand of export quality Haitian artisan products.

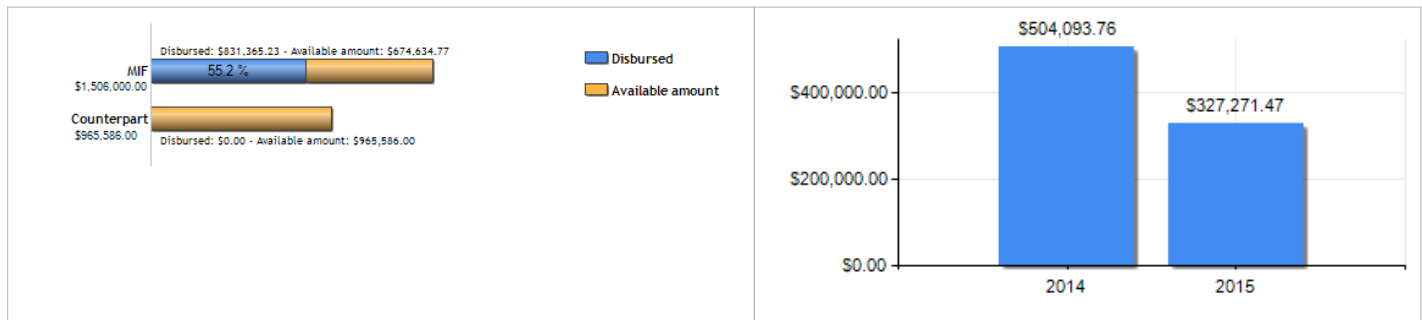
Country Admin	Country Beneficiary	Group	Subgroup
HAITI	HAITI	SME - Small and Medium Enterprise Development	BDEV - Business Development

Executing Agency:	FONDATION RÉSEAU D'ENTREPRISE DES ARTISANS	Design Team Leader:	ESTRELLA PEINADO-VARA
		Supervision Team Leader:	FREDNEL ISMA

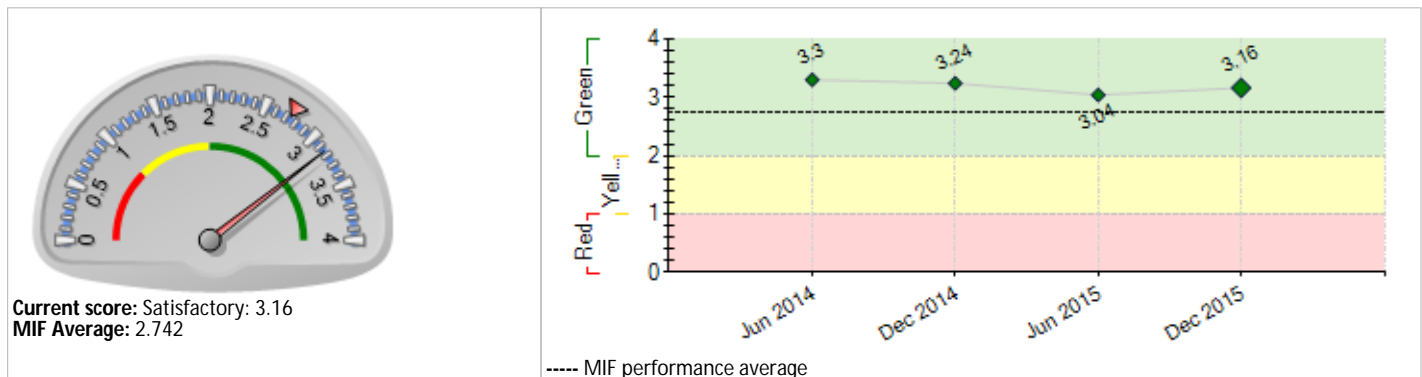
PROJECT CYCLE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

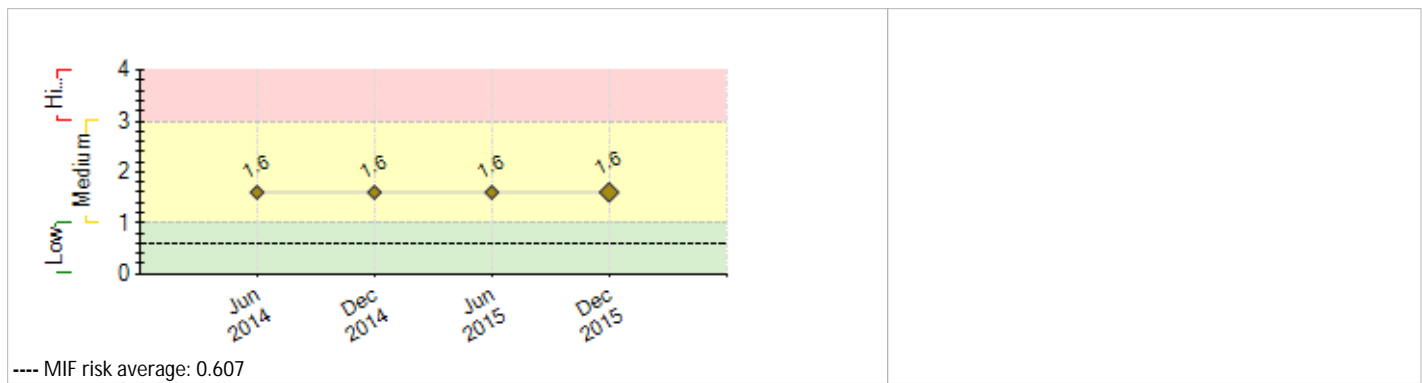
INSTITUTIONAL CAPACITY

Risk

Financial Management:

Procurement:

Technical Capacity:



SECTION 2: PERFORMANCE

Summary of project performance since inception

ABN is on target with the milestones. Training and mentoring sessions are ongoing for the artisan groups.

We are still recruiting artisans all over the country to meet our target of 2500 by the end of the project.

ABN has connected its members and other businesses in the sector to the global markets by participating in various international trade shows and cultural events. We have also organized a few buyers trips during which buyers were pleased to witness the capacity of the local artisans.

We continue to nurture those relationships through expanded marketing efforts.

There were some risks this semester due to the unstable political climate during the last few months of the year in Haiti.

We believe we are able to achieve the final objectives and meet the requirements of the project.

We have established a solid network of artisans and partners and we are working together to strengthen the sector while improving the lives of the artisans.

The Executing Unit is focusing on strengthening its own internal capacities while continuing the work with the artisans and the actors along the value chains.

We worked on establishing a viable inventory system that allows us to track purchases and sales.

A few staff members participated in a job rotation where they were able to learn from the other teams. This gave them all a better perspective on our internal processes and reinforced the team spirit.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The report from ABN is accurate; it reflects the situation of the project as of now. It would have been better for ABN to enumerate the challenges they face for their own sustainability instead of stating: "The Executing Unit is focusing on strengthening its own internal capacities while continuing the work with the artisans and the actors along the value chains". In fact, MIF Haiti is eager to discuss sustainability and capacity building with ABN after the end of the project. The future for this organization will be in jeopardy if there is no leverage, thorough business plan, and overall business strategy to cope with the meticulous requirements such a model requires.

Summary of project performance in the last six months

The main achievements this past semester were the development of new lines for the global market.

We also made a great effort to reach out to buyers - this resulted in new buyers for the entire network.

Over 250 artisans received financial training, over 200 opened bank accounts. This training enabled them to receive important information on the banking/credit system in Haiti.

Some of the groups participated in sourcing and inventory management training sessions. This has always been an issue for the artisan groups and we will continue to provide the guidance needed until they are able to manage it on their own.

Delays in delivery were a concern this semester - mostly due to the political climate of the country.

Customers were advised and steps were taken to ship within a reasonable period of the expected dates.

For the next semester, the Executing Unit will focus on sales and training. As we continue to add members to the network, it is crucial that we provide jobs for them. We established a communication calendar with the help of By Hand Consulting to maintain the buyers relationships and encourage them to purchase the handicrafts. The quality of our products has significantly improved and we are confident that we will meet the targets needed to become sustainable at the end of the project.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Although the semester report is accurate, ABN needs to be more precise on the indicators. As of December 2015, ABN is still lacking the "gender integration consultancy". This is a very important element that would boost the participation and integration of the women in the highest value of the artisanat sector.

SECTION 3: INDICATORS AND MILESTONES

Indicators			Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: Stakeholders in the value chain participating in the project are strengthened to meet unmet demand of export quality Haitian artisan products.	R.1	At least 1500 artisans increase the value of their sales by 100% on average	0				1500 Dec 2017	364 Nov 2015	
	R.2	At least 22 small businesses increase the value of their sales by 100% on average	0				22 Dec 2017	10 Nov 2015	
	R.3	At least 40 new clients for ABN members	0	20 Jun 2015			60 Dec 2017	36 Dec 2015	
	R.4	At least 500 artisans with improved work spaces and working conditions	0				15 Dec 2017	137 Dec 2015	
	R.5	At least 90% of orders delivered on time	0	85 Jun 2015			90 Jun 2016	80 Dec 2015	
	R.6	At least 70% of ABNs cost recovery	0				70 Jun 2016	40 Aug 2015	
	R.7	15 small businesses with improved work spaces and working conditions	0				15 Dec 2017	6 Dec 2015	
	R.8	60% of clients place repeat orders within 12 months from their previous order	0	50 Jun 2016			60 Dec 2017	50 Dec 2015	
	R.9	100% of orders shipped complete	0	75 Jun 2016			100 Dec 2017	80 Dec 2015	
Component 1: Strengthening artisans and enterprises access to more affordable raw materials and appropriate financial tools. Weight: 10% Classification: High Satisfactory	C1.11	At least 40 artisans trained in sourcing inputs (purchasing and inventory management techniques, import requirements and market research on how to identify viable input suppliers, negotiation skills)	0				40 Dec 2015	65 May 2015	Finished
	C1.12	At least 500 artisans are trained in financial education	0				500 Dec 2015	465 Sep 2015	On Course
	C1.13	At least 20 small businesses entities are trained in financial education	0				20 Dec 2017	20 Jul 2015	Finished
	C1.14	The ratio of input cost to total cost has decreased by at least 25%	0				25 Dec 2017	10 Jul 2015	On Course
	C1.15	At least 22 small firms trained in sourcing inputs (purchasing and inventory management techniques, import requirements and market research on how to identify viable input suppliers, negotiation skills)	0				22 Dec 2017	22 Nov 2015	Finished
	C1.16	22 small businesses open bank accounts at financial institutions	0				20 Dec 2015	5 Aug 2015	On Course
Component 2: Improving business management and production skills for artisans and small businesses to meet market requirements Weight: 20% Classification: High Satisfactory	C2.11	At least 15 artisans participate in site-visits (in-country and internationally)	0				15 Dec 2015	18 Aug 2015	Finished
	C2.12	At least 6 small business entities participate in site-visits (in-country and internationally)	0				6 Dec 2015	6 Dec 2015	Finished
	C2.13	At least 22 small businesses receive mentorship	0	10 Dec 2015			22 Dec 2017	15 May 2015	On Course
	C2.14	At least 22 small businesses are trained in business management, health and safety and export management	0	10 Dec 2015			22 Dec 2017	17 Apr 2015	On Course
	C2.15	At least 22 workshops workspace improved by month 48	0				22 Dec 2017	6 Dec 2015	On Course
	C2.16	5 ABN staff trained in how to address and improve working conditions and gender issues for artisans and small businesses	0				5 Dec 2015	4 May 2015	Finished
Component 3: Expanding the product range of Haitian artisan products Weight: 30% Classification: High Satisfactory	C3.11	32 (cumulative) new product lines are developed and ready to sell	0	16 Dec 2015			32 Dec 2017	32 Dec 2015	Finished
	C3.12	22 small businesses trained on market trends identification	0	15 Dec 2015			15 Dec 2017	17 Apr 2015	On Course
	C3.13	22 small businesses trained on new finishes and production techniques	0	15 Dec 2015			22 Dec 2017	14 Dec 2015	On Course
Component 4: Facilitating artisans and small businesses access to markets Weight: 30% Classification: High Satisfactory	C4.11	At least 22 small businesses participate in gift and home décor markets/fairs	0	9 Dec 2015			22 Dec 2017	9 Nov 2014	On Course
	C4.12	At least 22 businesses participating in the trainings have identified new markets or new channels in existing markets	0	9 Dec 2015			22 Dec 2017	10 Jun 2015	On Course
	C4.13	At least 40 (cumulative) purchase orders by new buyers received	0	20 Dec 2015			40 Dec 2017	20 Jun 2015	On Course

C4.14	40 artisans participating in the trainings have identified new markets or new channels in existing markets	0	10			40	200	Finished
			Dec 2015			Dec 2017	Jun 2015	

Component 5: Knowledge Management, Communications and Outreach

Weight: 10%

Classification: Satisfactory

C5.11	At least 30 of project main audiences (segmented by types) reached and sensitized	0				30	15	On Course
						Dec 2017	Apr 2015	
C5.12	300% increase in website viewers (3,000 monthly hits, based on a baseline of approx. 1,000)	0				300	100	On Course
						Dec 2017	Dec 2015	
C5.13	5 press and media events organized	0				5	10	On Course
						Dec 2017	Nov 2015	

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M1 Conditions Prior	7	Jun 2014	7	Apr 2014	Achieved
M1 Conditions Prior	7	Jun 2014	7	Apr 2014	Achieved
M4 Training (roundtables) on market trends for product development organized	1	Dec 2014	1	Oct 2014	Achieved
M5 Training workshops on new finishes and production techniques organized	6	Dec 2014	7	Oct 2014	Achieved
M6 ABN Show room reopened	1	Dec 2014	1	Dec 2014	Achieved
M1 Training in business management, health and safety (including small equipment) and export management adapted	1	Jan 2015	3	Aug 2014	Achieved
M2 Design board created	1	Jan 2015	1	Aug 2014	Achieved
M3 ABN Website running	1	Jan 2015	1	Jan 2015	Achieved
M7 Artisans trained in sourcing inputs (purchasing and inventory management techniques, import requirements and market research on how to identify viable input suppliers, negotiation skills).	40	Dec 2015	40	Jul 2015	Achieved
M8 New product lines are developed and ready to sell	16	Dec 2015	53	Dec 2015	Achieved
M9 Purchase orders by new buyers received	20	Dec 2015	38	Dec 2015	Achieved
M10 New clients for ABN members	20	Dec 2016	20	Jun 2015	Achieved
M11 70% of ABNs cost recovery	70	Dec 2016			
M12 Training workshops on new finishes and production techniques organized	24	Dec 2016	19	Dec 2015	
M13 New clients for ABN members	40	Dec 2017	41	Dec 2015	Achieved
M14 Artisans with improved work spaces and working conditions	500	Dec 2017	107	Dec 2015	
M15 Purchase orders by new buyers received	40	Dec 2017	38	Dec 2015	

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[None reported in this period]

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

	Level	Mitigation action	Responsible
1. ABN has only been one year in operation and is still highly dependent on donors funding. If the flow of resources is interrupted, ABN will not be able to keep up with the activities	High	The executing agency together with the project's partners will design and implement a sustainability strategy. ABN could generate income by charging a fee to exporters, intermediaries and artisans for any service provided.	Project Guest
2. Entrance of new players in the market, which could have a negative effect on prices and demand for Haitian Handicraft.	Medium	The project will maintain systems of market intelligence that keep the local sector up to date with market trends, and other suppliers.	Project Guest
3. ABN is able to maintain and extend its services to current and new members of the network	Medium	A strengthening plan for ABN will be designed, including an analysis on its executing capacity (financial, procurement and monitoring systems).	Project Guest

PROJECT RISK LEVEL: Medium **TOTAL NUMBER OF RISKS:** 3 **IN EFFECT RISKS:** 3 **NOT IN EFFECT RISKS:** 0 **MITIGATED RISKS:** 0

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: P - Probable

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[None reported in this period]

Actions related to sustainability which have been taken in the reporting period:

We continue to charge membership fees to individuals and groups interested in joining our network.

We recently opened a gift boutique at the Marriott Hotel in Turgeau (PAP). This additional location gives us the opportunity to reach local and international visitors of the hotel seven days a week, all year long.

ABN is also pursuing partnerships with small businesses in the US such as ZesaRaw. They sell coffee, cocoa and sugar. We supply them with handmade ceramic cups and embroidered towels for their gift baskets. We recently joined them at a store event in NY at the Williams Sonoma in Columbus Circle for a tasting. The gift baskets sold out and we were both invited to come back in March for another direct sale opportunity with the store's customers. ABN is also looking into renting a pop up store with ZesaRaw in Bryant Park (NYC) for the holidays. Expected sales are around \$20-\$70K a month (with holiday shoppers and NYC visitors). Rent is \$5K a month.

We also have an agreement with local businesses to whom we introduce international buyers. They will pay ABN 10% of the first three purchase orders as an agent fee.

SECTION 6: PRACTICAL LESSONS

1. Logistics - The organization would have saved thousands of dollars and be more efficient in executing its activities if we had a reliable car. Money spent on costly repairs for the second hand car could have been used for other purposes. Due to the remote areas and long distances covered during the project, a pick up would have been the best bet.	Relative to Implementation	Author TANCREDE, NATHALIE
2. Conflict resolution - Involving a community leader or a village elder proved to be a successful conflict resolution tactic. Artisans value unspoken hierarchy rules in their communities. Whether the issue is with fellow artisans or with the network itself, they will follow the advice of the elder whom they respect the most. Keeping the elders informed of general activities and visiting them whenever in the area is an important aspect in building relationships in the communities in which we work.	Implementation	TANCREDE, NATHALIE